



Order under Section 135 Residential Tenancies Act, 2006

File Number: LTB-T-067992-25

In the matter of: 2603, 8 CUMBERLAND ST
TORONTO ON M4W0B6

Between: Zihan Xia
Zhaohan Sun
Tenants

And

Xin Li
Landlord

Zihan Xia and Zhaohan Sun (the 'Tenants ') applied for an order determining that Xin Li (the 'Landlord') collected or retained money illegally.

This application was heard by videoconference on January 6, 2026.

The Landlord and the Tenants attended the hearing.

Determinations:

Facts:

1. As explained below, the Tenants proved the allegations contained in the application on a balance of probabilities. Therefore, the Landlord must return to the Tenants money he had collected illegally in the amount of \$900.00.
2. The Tenants alleged that the Landlord collected and retained \$600.00 for a key deposit and \$300.00 for a cleaning deposit in contravention of section 134 of the *Residential Tenancies Act*, 2006 (the 'Act').
3. On August 1, 2024, the Tenants paid the Landlord \$600.00 for a key deposit and \$300.00 for a cleaning deposit. The Tenants moved into the rental unit on August 15, 2024 and moved out on July 31, 2025.
4. According to the Tenants, before returning vacant possession of the rental unit to the Landlord on July 31, 2025, they had the unit professionally cleaned. The Tenants also returned all the keys to the Landlord. The Landlord, however, refused to return the cleaning deposit and the key deposit, despite the Tenants' repeated requests.

5. The Landlord's position was that he retained the money because the Tenants caused damage to the rental unit. In addition, the Tenants made unauthorized copies of the keys. According to the Landlord, this compromised the security of the rental unit, and the Landlord will have to replace the locks. The replacement of the locks will cost the Landlord about \$600.00 to \$700.00.

Analysis:

6. Section 134 (1) of the Act states that unless otherwise prescribed, no landlord shall, directly or indirectly, with respect to any rental unit, collect or require or attempt to collect or require from a tenant, prospective tenant or former tenant of the rental unit a fee, premium, commission, bonus, penalty, key deposit or other like amount of money whether or not the money is refundable.
7. Section 17 of *Ontario Regulation 516/06* sets out exemptions from section 134 of the Act. It states that a payment of a refundable key deposit not greater than the expected direct replacement costs is exempt from the prohibition set out in section 134 of the Act.
8. What this means is that a landlord is entitled to collect from a tenant a key deposit provided that the money is refundable. It must be returned to the tenant when the keys are returned at the end of the tenancy. Further the amount collected cannot exceed the actual cost of replacing the keys.
9. In this case the Landlord collected and retained \$300.00 cleaning charge which is not permitted by the Act, and is not exempt by virtue of section 17 of O. Reg. 516/06.
10. The Landlord also collected and retained \$600.00 for a key deposit which he was obligated to return when the Tenants returned the keys. It was not disputed that the Tenants returned the keys they were given by the Landlord plus the extra copies they had made. As such, there were no direct replacement costs incurred.
11. In conclusion, based on the evidence before me, I find that the Landlord collected a charge which is not allowed by the Act in the amount of \$900.00. The Landlord shall be ordered to return this amount to the Tenants.
12. The Tenants incurred costs of \$48.00 for filing the application and are entitled to reimbursement of those costs.

It is ordered that:

1. The total amount the Landlord owes the Tenants is \$948.00. This amount represents:
 - \$900.00 for the illegal charge collected,
 - \$48.00 for the cost of filing the application.
2. The Landlord shall pay the Tenants the full amount owing by February 6, 2026.
3. If the Landlord does not pay the Tenants the full amount owing by February 6, 2026, the Landlord will owe interest. This will be simple interest calculated from February 7, 2026 at 4.00% annually on the balance outstanding.

4. The Tenants have the right, at any time, to collect the full amount owing or any balance outstanding under this order.

January 26, 2026
Date Issued

Jana Rozehnal
Member, Landlord and Tenant Board

15 Grosvenor Street, Ground Floor
Toronto ON M7A 2G6

If you have any questions about this order, call 416-645-8080 or toll free at 1-888-332-3234.